



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

Robert F. Bauer, Esq  
Rebecca H. Gordon, Esq.  
Graham M. Wilson, Esq.  
Perkins Coie LLP  
700 Thirteenth Street, NW, Suite 600  
Washington, DC 20005-3960

**AUG 14 2012**

RE: MUR 6463  
Democratic National Committee  
Obama Victory Committee

Dear Messrs. Bauer and Wilson and Ms. Gordon:

On July 31, 2012, the Federal Election Commission accepted the signed conciliation agreement submitted on your clients' behalf in settlement of a violation of 2 U.S.C. §§ 441b(a), 441a(f) and 434(b), provisions of the Federal Election Campaign Act of 1971, as amended. Accordingly, the file has been closed in this matter.

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009). Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B).

Enclosed you will find a copy of the fully executed conciliation agreement for your files. Please note that the civil penalty is due within 30 days of the conciliation agreement's effective date. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

Peter G. Blumberg  
Assistant General Counsel

Enclosure  
Conciliation Agreement

12044321372

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of	)	
	)	MUR 6463
Democratic National Committee and	)	
Andrew Tobias, as treasurer	)	
Obama Victory Fund and	)	
Andrew Tobias, as treasurer	)	

**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn, and notarized complaint by Iraj J. Zand and Raymond Sehayek. The Federal Election Commission ("Commission") found reason to believe that Respondent Democratic National Committee ("DNC") and Andrew Tobias, in his official capacity as treasurer, violated 2 U.S.C. §§ 441a(f), 441b(a) and 434(b), and that Respondent Obama Victory Fund ("OVF") and Andrew Tobias, in his official capacity as treasurer, violated 2 U.S.C. § 434(b).

NOW, THEREFORE, the Commission and Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

12044321373

1. The DNC is a national political party committee within the meaning of 2 U.S.C. §§ 431(4) and 431(14). Its treasurer is Andrew Tobias. Organizing for America is a project of the DNC.

2. OVF is a political committee within the meaning of 2 U.S.C. § 431(4). Pursuant to 11 C.F.R. § 102.17, OVF served as a joint fundraising representative that conducted fundraising events during the 2008 election cycle, disbursing its proceeds to the DNC and to Obama for America, the principal campaign committee of Barack Obama. Its treasurer is Andrew Tobias.

3. The Antaramian Development Corporation of Naples ("ADCN") is a for-profit Florida corporation whose president and owner is Jack Antaramian.

4. The Federal Election Campaign Act of 1971, as amended ("the Act"), defines a "contribution" to include, *inter alia*, "anything of value made by any person for the purpose of influencing any election to Federal office." 2 U.S.C. § 431(8)(A)(i). The Commission's regulations provide that "anything of value" includes all in-kind contributions, including the provision of goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services. 11 C.F.R. § 100.52(d)(1).

5. A corporation is prohibited from making contributions in connection with any election of any candidate for federal office. See 2 U.S.C. § 441b(a).

6. Pursuant to the Act's limits for the 2008 election cycle, no person shall make contributions to the political committees established and maintained by a national political party in a calendar year which, in the aggregate, exceed \$28,500, and no political committee shall knowingly accept such excessive contributions. 2 U.S.C.

12044321374

§§ 441a(a)(1)(B) and 441a(f). Pursuant to the Act's limits for the 2010 election cycle, no person shall make contributions to the political committees established and maintained by a national political party in a calendar year which, in the aggregate, exceed \$30,400, and no political committee shall knowingly accept such excessive contributions. *Id.*

7. All political committees are required to file reports of their receipts and disbursements. 2 U.S.C. § 434(a). For unauthorized committees such as the DNC, these reports must itemize all contributions that aggregate in excess of \$200 per calendar year. 2 U.S.C. § 434(b)(3)(A), 11 C.F.R. § 104.3(a)(4). Any in-kind contribution must also be reported as an expenditure on the same report. 11 C.F.R. §§ 104.3(b) and 104.13(a)(2).

8. For joint fundraising events, the fundraising representative shall report all funds received in the reporting period in which they are received; each participating political committee shall itemize its share of gross receipts as contributions from the original contributors to the extent required under 11 C.F.R. § 104.3(a). *See* 2 U.S.C. § 434(b) and 11 C.F.R. § 102.17(c)(8).

9. Pettit Square Partners, LLC ("Pettit Square"), leased office space to ADCN for a four-year period starting on July 1, 2009. The lease did not require ADCN to begin paying a monthly rate of \$3,639.58 to Pettit Square until January 1, 2010, due at the beginning of each month through the end of the lease on June 30, 2013. The DNC first occupied the space on July 23, 2009 and remained in it through March 3, 2010. However, there was no sublease or modification of the lease between ADCN and Pettit Square, and the DNC did not pay any rent for the duration of its occupancy, resulting in the receipt of an in-kind contribution.

12044321375

10. Pettit Square filed a lawsuit against ADCN and the DNC in March 2010 to recover rent for the use of the space. As part of a litigation settlement, the DNC paid \$29,117 to Pettit Square by check dated October 29, 2010. The payment was approximately \$3,639.58 per month for the period that the DNC occupied the office, an amount that it contends was the fair market value.

11. The DNC also received and failed to account for various in-kind contributions in the form of payments by others for office equipment, services, and utilities. These in-kind contributions included (1) \$487.50 paid by Jack Antaramian for professional movers to move furniture and a copy machine to the office, (2) \$511.06 paid by Jack Antaramian for an electrician to install new electrical outlets, and (3) \$135 paid by ADCN for services performed on computer systems at the office, (4) a \$500 rental charge covered by Brompton Road Partners, LLC for the use of the copy machine by the DNC, and (5) \$888.16 paid by Mona Antaramian in 2009 and 2010 for electric bills and internet/phone bills associated with the office. The DNC contends that it did not initially realize that such goods and services had been paid for by Jack Antaramian and others. The DNC later made reimbursements for the relevant expenses.

12. The payments by Jack and Mona Antaramian for moving expenses, electrical services, and utilities constituted excessive contributions because they had each reached their 2009 contribution limits to the DNC before it started occupying the premises. The in-kind contributions from ADCN in the form of payment of computer expenses constituted corporate contributions.

13. Jack Antaramian also made an in-kind contribution in connection with an October 8, 2008 OVF fundraising event at the Naples Bay Resort by paying

12044321376

\$24,184.54 in catering costs, service charges, rental equipment costs and other event expenses. At the time of the event, Jack Antaramian had reached his \$2,300 contribution limit to Obama for America, *see* 2 U.S.C. § 441a(a)(1)(A), and had contributed \$22,700 to the DNC, leaving him with a remaining limit of \$5,800 to the DNC. *See* 2 U.S.C. § 441a(a)(1)(B). Accordingly, Jack Antaramian exceeded his 2008 contribution limit to the DNC by \$18,384.54.

14. As OVF paid for other expenses associated with the event at the Naples Bay Resort, it contends that it did not initially realize that Jack Antaramian had paid for the relevant catering and event costs, and thus the DNC and OVF accepted this in-kind contribution by using or consuming the items associated with the event without reimbursing Jack Antaramian, and failed to report the contribution. The DNC later reimbursed Antaramian for the relevant expenses.

V. 1. Respondent Democratic National Committee and Andrew Tobias, in his official capacity as treasurer, received and failed to report corporate and excessive contributions in the form of office space used by the DNC in 2009 and 2010 and payments by others for related office expenses, in violation of 2 U.S.C. §§ 441a(f), 441b(a) and 434(b).

2. Respondent Democratic National Committee and Andrew Tobias, in his official capacity as treasurer, received and failed to report an excessive contribution from Jack Antaramian in connection with an October 2008 fundraising event, in violation of 2 U.S.C. §§ 441a(f) and 434(b).

12044321377

3. Respondent Obama Victory Fund and Andrew Tobias, in his official capacity as treasurer, failed to report a contribution from Jack Antaramian in connection with an October 2008 fundraising event, in violation of 2 U.S.C. § 434(b).

4. Respondents will cease and desist from violating 2 U.S.C. §§ 441a(f), 441b(a) and 434(b).

VI. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Sixteen Thousand Dollars (\$16,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed the same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement(s) contained in this agreement and to so notify the Commission.

12044321378

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Anthony Herman  
General Counsel

BY: Daniel Petalas by KR  
Daniel A. Petalas  
Associate General Counsel  
for Enforcement

8-13-12  
Date

FOR THE RESPONDENTS:

AK ANDREW TOBMS  
Position: TREASURER

7/13/12  
Date

12044321379